

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF COMMUNITY AFFAIRS**

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TO: POTENTIAL APPLICANTS

FROM: FARMWORKER HOUSING GRANT PROGRAM

RE: APPLICATION PROCESS

INTRODUCTION

The Department of Housing and Community Development, under the authority of Health and Safety Code Section 50517.5, established the Farmworker Housing Grant Program ("FWHG" Program) in 1977. It is one of the oldest programs in the Division of Community Affairs. Under this program, grants may be made for the construction or rehabilitation of housing for agricultural employees and their families. Applications are received and reviewed on a continuous basis, in response to a Notice of Funding Availability (NOFA). The Department will award grants subject to the availability of funds. Applications must be submitted using the attached FWHG Program form number AP-102, revised 7-2000. You are permitted and encouraged to make additional copies of this publication.

PROGRAM OBJECTIVES

The Farmworker Housing Grant fund was established to meet the housing needs of farmworkers in the State and assist in the development of farmworker housing that would not otherwise be built. It is the intent of the legislature that, in the administration of this program, the Director of Housing and Community Development shall facilitate to the greatest extent possible, the construction and rehabilitation of permanent dwellings for year-round occupancy and ownership by agricultural employees, including the ownership of the sites upon which the dwellings are located.

Programs to assist or develop low- and moderate-income housing pursuant to Sections 33334.2, 33334.3, 33334.6 and 33449 shall be entitled to priority consideration for assistance in housing programs administered by the California Housing Finance Agency, the Department of Housing and Community Development, and other state agencies and departments, if those agencies or departments determine that the housing is otherwise eligible for assistance under a particular program.

Among other priorities, the Department will give priority status to projects which provide housing for migrant families who are interested in other options for more permanent housing, due to the special social and economic aspects of the needs of this population, including use of manufactured housing or mobilehomes as an economical and timely means for providing safe, decent and sanitary housing for farmworkers. The Department seeks to affirmatively promote this objective

and encourages applications for projects that will assist migrant families to stay in a community year-round if they want, either through affordable rental or ownership opportunities.

ELIGIBLE ACTIVITIES

Grants may be made to eligible grantees for eligible projects which may be renter or owner occupied, new construction or rehabilitation, manufactured housing or subdivisions or conversions of mobilehome parks to ownership. Funds also may be used for site preparation, demolition, clearing, purchase of land in connection with housing assisted pursuant to this section and for the construction and rehabilitation of related support facilities, which may be necessary for permanent housing. Related support facilities include but are not limited to water and sewer facilities directly related to the proposed housing development; also, physical improvements for child care services, recreational activities and meeting room(s) all of which are intended for use of project residents.

ELIGIBLE RESIDENTS/BENEFICIARIES

The FWHG Program was developed for the benefit of agricultural employees and their families. The program includes an affirmative requirement to discriminate on the basis of occupation, whether current or retired. However, the program may not discriminate against farmworkers on the basis of race, sex, marital or familial status, physical disability, creed, religion, or national origin. This means that FWHG-funded accommodations cannot be restricted exclusively for either male or female farmworkers, nor can they exclude families. This would apply to any owner, rental or other leased housing accommodations.

The FWHG Program is most interested in developing innovative solutions to assist migrant farmworkers and their families. This could include innovative architectural designs, which could provide rental housing for farmworkers whether accompanied, or not.

MATCHING FUNDS

Program funds are intended to leverage other funds; therefore, regulations require the grantee to provide at least 50% of the project cost as a "matching share" from some other source. This match may include local or in-kind contributions, mortgage financing, or other forms of housing assistance.

USE OF FUNDS

Grants may be used to reduce the overall project development costs for almost any construction related cost in the development of farmworker housing. The funds will be "rolled over" for owner-occupied and rental projects for mortgage write-down to reduce the amount of permanent financing required. No part of a grant may be used for project organization or planning.

DEFINITIONS

A partial list of the most commonly sought after definitions is provided herein. A more complete list is found in Section 7202 of the FWHG regulations.

Local public entity: any city, county, city and county, redevelopment agency or public housing authority including any state agency, public district or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons and families of low income. It also includes the governing body or housing authority of a federally recognized Indian tribe.

Non-profit housing corporation: an entity incorporated pursuant to Division 2 of Title 1 of the Corporation Code commencing with section 5000. It must be broad-based with their membership reflecting a variety of interests in the community where the housing development will be located.

Cooperative Housing Corporation: a limited-equity housing cooperative as defined by section 33007.5 of the Health and Safety Code, which has, among other restrictions, resale controls on membership shares. A cooperative housing corporation must be legally organized as a non-profit entity, and must be formed primarily for the purpose of holding title to improved real property where all or substantially all of the shareholders of such corporation receive a right of exclusive occupancy in a portion of the real property, title to which is held by the corporation, which right of occupancy is transferable only concurrently with the transfer of the share in the corporation held by the person having such right of occupancy.

In-kind contributions: includes but is not limited to, contributions directly related to the housing development in the form of:

1. Labor and/or other services
2. Land and/or site development
3. Existing structures
4. Materials

Agricultural employment: has the same meaning as specified in subdivision (b) of Section 1140.4 of the Labor Code. However, Health and Safety Code Section 50715.5(g)(1) has been expanded to also include "any person who works at a packing shed for a labor contractor or other entity that contracts with an agricultural employer in order to perform services in connection with handling, drying, packing, or storing any agricultural commodity in its raw or natural state, whether or not this person is encompassed within the definition specified in subdivision (b) of Section 1140.4 of the Labor Code."

Low/lower income household: see Title 25, California Code of Regulations, Section 6928.

Assisted unit: means any real property that is developed or rehabilitated with assistance from the Fund and is subject to the conditions of a Grant Agreement or Subsequent Grant Agreement.

ELIGIBILITY CRITERIA

Applications will be reviewed based on the minimum threshold criteria delineated below. If an application is ineligible for funding the applicant will be notified in writing.

Application: Applications must be complete with all necessary attachments and contain a properly executed resolution.

Organizations: The grantee must be a local public entity, non-profit Housing Corporation or a cooperative housing corporation. The grantee must have demonstrated its ability to proceed with the construction or rehabilitation of the housing development upon commitment of grant funds; and the grantee is or will be the record owner in fee of the site on which the housing development is or will be situated.

Housing development: The housing development must contain assisted units to be occupied by agricultural households. To the greatest extent possible, assisted units are to be occupied by lower-income agricultural households and to the greatest extent possible, any non-assisted units are to be occupied by agricultural. Households.

Site and design: A major deficiency in meeting one or more of the site or design criteria may result in the rejection of an application.

1. Site criteria

The development location must be in or near a residential area with access to schools, shopping, medical services, social services and employment, also, it must not unnecessarily confine assisted units to an area in which exists a high concentration of low income households. The development location must not be found to be inconsistent with the housing element or housing assistance plan of the public jurisdiction in which the housing development is to be located. The site characteristics, including its topography and distance to public utilities, do not result in unreasonable development or rehabilitation costs; and shall not be in the 100-year flood plain unless sufficient measures have been taken to ensure the security of the housing development in the event of flooding.

2. Design criteria

The design will provide safe, sanitary, and decent housing meeting the requirement of all applicable building and housing standards and codes. To the maximum extent feasible, the design will be compatible with the existing community; also, design, improvements, materials, mechanical equipment and siting of the structure(s) shall be consistent with effective energy conservation design principles and provide for a cost effective use of grant funds in order to achieve affordable housing costs for agricultural households.

ELIGIBILITY AND COMPLETENESS (E&C) REVIEW

The E&C review shall determine the completeness of the application, the eligibility of the applicant and that the project meets program guidelines regarding site and design criteria; also, the ability of the applicant to proceed with the project if awarded a grant. An application deemed to be incomplete or ineligible will be removed from further review at that time. The applicant will be notified in writing and allowed to correct deficiencies before further review is conducted. Applications removed from review at this stage may be placed with a later group before further reviewing. Eligible and complete applications will then undergo a second review and evaluation to determine feasibility of the proposed project.

1. Application completeness:

- (a) Application must be complete, including attachments.
- (b) Application must be authorized by appropriate person(s).
- (c) Resolution must authorize submittal of the application, with appropriate original signature(s).

2. Applicant eligibility:

- (a) The applicant is a local government entity, a "broad-based" nonprofit corporation or a limited equity housing cooperative corporation or may be a partnership of those noted.
- (b) The applicant has demonstrated its ability to proceed with the construction or rehabilitation of the housing development upon commitment of grant funds; and
- (c) Applicant is or will be record owner in fee of the site on which the proposed development is or will be situated.

All documents submitted, attesting to the applicant's legal and financial status, must be current, including a Certificate of Status showing the Corporation in "good standing". It may be obtained from the Secretary of State's Office; also, include a copy of the Statement by Domestic Nonprofit Corporation as filed with that Office.

3. Project eligibility:

- (a) The proposed project must contain "assisted units" to be occupied by agricultural employees.

- (b) Applicant must illustrate that an appropriate "matching share" of at least 100% of the grant amount requested will be available for the project.
- (c) Project site and design criteria must be acceptable to the Program.
- (d) Refer to Section 7204 (b) of the FWHG regulations for additional information regarding monthly housing costs.

FEASIBILITY REVIEW

All applications deemed complete and eligible during the E&C review will undergo a feasibility review to evaluate their practical, physical and financial feasibility. Applications for proposed projects that are determined to be unfeasible will be rejected. The applicant will be notified in writing noting the reason(s). After the applicant has taken remedial action, the application may be submitted for reevaluation with a later group.

The feasibility review will evaluate the following:

- The applicant's ability, along with that of the development team members, to proceed with and complete the proposed project after receipt of a grant, and to manage the project for the term of the grant, when applicable.
- Reasonable assurance the proposed project can be completed according to the costs, plans, specifications and schedules as represented in the application.
- A need for the proposed project exists in the area planned and that the area is environmentally and geologically compatible with the project. The site is not within a 100 year flood plain unless sufficient measures have been taken, as determined by the Department, to insure the security of the project in the event of flooding. Also, that proper local planning approvals have been or are expected to be acquired within a reasonable time.
- Sufficient funding for acquisition, rehabilitation/construction and permanent financing are available for each phase of the project and that all costs are reasonable and necessary. Rental and cooperative housing projects must prepare and submit a financial pro forma and a twenty-year cash flow analysis. The analysis will indicate that the proposed project will remain financially feasible for that term.

PRIORITIES IN THE USE OF FUNDS

Special consideration may be given to proposed projects, which meet one, or more of the criteria as listed in program regulation Section 7212 and noted below:

1. The plan for development or rehabilitation provides for ownership or eventual ownership by agricultural employees, including ownership of shares in a cooperative housing corporation.
2. The housing development is intended for year-round occupancy rather than seasonal use.
3. The housing development conforms to the Statewide Housing Plan and the Farmworker Housing assistance Plan.
4. The number of dwelling units projected to be occupied by agricultural households will be large in relation to the total amount of grant funds requested.
5. The plan for development provides for rehabilitation of existing housing provided that the local development cost of rehabilitation compares favorably with the cost of new construction for a comparable facility.
6. The plan for development or rehabilitation provides that some or all of the housing units of the housing development will be accessible and adaptable to the needs of the elderly or disabled.
7. There are social and economic factors associated with the housing development such as:
 - a. The housing development is intended to serve households with the greatest need for government assistance in obtaining adequate and affordable housing.
 - b. Labor and economic development programs and any other relevant programs will be utilized.
 - c. Other significant social or economic aspects merit special considerations.
8. There is an urgent need for housing in the area where the housing development will be located because of health and safety factors.
9. The housing development will utilize solar and other alternate energy efficient systems.
10. The housing development will utilize manufactured housing or other cost efficient design or construction techniques for the purpose of making housing affordable to lower-income households.

RECOMMENDATIONS

Applications in which the applicant and project are eligible and the project is determined to be feasible will be recommended for funding to the Loan and Grant Committee.

If an application is to be recommended for funding but funds are not available, that application will be held until the next Committee meeting at which funds are available.

If an application was rejected because it was deemed incomplete or the applicant or project was declared ineligible, the applicant may furnish the missing information and/or required documentation or correct deficiencies, however, the application will be considered received in the month in which it is completed and/or corrected.

Staff will not make a favorable recommendation to the Local Loan and Grant Committee for proposed projects that it finds are not practical or financially feasible.

The application must be filled out completely by including all information requested. This can be accomplished by responding to all inquiries. Check boxes where information is applicable give complete narrative answers where appropriate and indicate where information is not available or not applicable. Insert as many additional pages as necessary to furnish complete information. Insure the appropriate persons sign the application authorization page and that a properly executed resolution is included. Exhibits are listed on a checklist. Be sure to attach all exhibits that are required or necessary to accurately and completely illustrate the proposed project. All exhibits should be properly identified, tabbed and labeled as noted in the exhibit checklist.

APPLICATION SUBMITTAL

One original and one copy of the completed farmworker grant application package must be submitted to the Department. The original application authorization and resolution must contain original signatures, preferably signed in blue ink.

Mail to: Department of Housing and Community Development
Farmworker Housing Grant Program
P. O. Box 952054, Mail Station 390-8
Sacramento, CA 94252-2054

Or, deliver to:

Department of Housing and Community Development
Farmworker Housing Grant Program
1800 - Third Street, Room 390
Sacramento, CA

Interested persons considering submittal of a FWHG Program application are encouraged to review Title 25, California Code of Regulations, Chapter 7, Subchapter 3, and other references cited therein for more complete program related information.

It is strongly recommended that care and prudence be exercised in the planning of proposed projects, selection of development team members and in the preparation of the application and attachments. An application package that is incomplete or requires corrections is subject to being

rejected or delayed in processing by being reassigned, to a later group of applications for review. An application delayed in processing also incurs the risk of the non-availability of funds upon completion of review. It is possible a desirable project may not be funded if a delay in processing occurs.

Additional information or clarification of all program related matters could be obtained from a program representative by calling (916) 327-2890 or 327-2862.

Thank you for your interest in this worthwhile program.

Sincerely,

R. Gordy de Necochea, Manager
Rural Services Programs